

MAY 14 2014

**MEMORANDUM OF UNDERSTANDING
(SOUTH BAY BOULEVARD UNDERGROUND UTILITY DISTRICT)**

City of Morro Bay
Public Services Department

This MEMORANDUM OF UNDERSTANDING (MOU) is entered into by and between the **County of San Luis Obispo** (COUNTY), and the **City of Morro Bay**, a California municipal corporation (CITY). COUNTY and CITY are sometimes individually referred to herein as "Party" and collectively as "Parties."

I. BACKGROUND

Beginning in the late 1960's early 1970's, the California Public Utilities Commission (CPUC) mandated that certain public utilities spend a designated amount of their annual income on undergrounding overhead lines that meet certain criteria. Since 1971 the COUNTY has been involved in formulating underground utility districts in cooperation with PG&E and other overhead utilities. As part of the CPUC Tariff Rule 20A program, PG&E distributes credits ("allocations") to each local agency which can be used to pay for Rule 20A underground projects.

The purpose of this MOU is to address a particular proposed project for the undergrounding of all overhead lines along South Bay Boulevard, beginning near the intersection of South Bay Boulevard and Turri Road, heading north and ending near the Chorro Creek Bridge (hereafter, the "Project Area"). The Project Area is depicted in the attached Exhibit A. All of the planning, design, construction and administrative work contemplated by such undergrounding project shall hereafter be referred to as the "Project."

Since the Project Area includes areas within the jurisdiction of each Party, the purpose of this MOU is to outline the role and responsibilities of the Parties for the successful completion of the Project.

II. RESOLUTIONS ESTABLISHING UNDERGROUND UTILITY DISTRICTS

- A.** Each Party agrees to present to its governing body for approval the appropriate resolution(s) for establishing an underground utility district that covers the portion of the Project Area that is within that Party's geographical boundaries. The resolution(s) shall establish the underground utility district under Tariff Rule 20A (and any applicable local ordinances or regulations).
- B.** When the resolution is presented to the CITY's governing body, the underground utility district shall be designated as the South Bay Boulevard Underground Utility District - City Area. When the resolution is presented to the COUNTY's governing body, the underground utility district shall be designated as the South Bay Boulevard Underground Utility District - County Area.
- C.** Nothing in this MOU requires any Party to establish any underground utility districts or to adopt any resolution(s) related thereto. If a Party's governing body does adopt resolution(s) establishing an underground utility district as described above, this MOU may be approved by that Party's governing body (concurrently with said resolution (s) or shortly thereafter).

III. COOPERATION

- A.** The Parties recognize and agree that each of the Parties hereto are considered stakeholders with a vested interest in the undergrounding of all overhead utilities within the Project Area for the safety and beautification of the public thoroughfare.
- B.** The Parties agree to cooperate and communicate during all phases of the Project in order to facilitate a successful completion of the Project.
- C.** To maintain consistency throughout the Project Area, the Parties agree that the Project will be completed such that it meets the San Luis Obispo County Public Improvement Standards.

IV. COMPLIANCE WITH PG&E CONDITIONS

- A.** It is anticipated that PG&E will not perform any work regarding the Project unless the COUNTY signs the attached Agreement with PG&E to Perform Tariff Scheduled Related Work per Rule 20A General Conditions (Exhibit B) including Supplemental Conditions (Exhibit C). The terms and conditions set forth in Exhibits B and C shall hereafter be referred to as "PG&E Conditions."
- B.** The Parties agree that the entire Project Area shall be subject to the PG&E Conditions, and that the Project will be implemented in a manner consistent with the PG&E Conditions. Subject to the tasks assigned to the CITY in paragraph IV.C. below, the COUNTY shall be responsible for the Project being implemented in a manner consistent with the PG&E Conditions. To the extent the COUNTY needs to enter upon any portions of the Project Area located within the CITY in order to maintain compliance with any PG&E Conditions, the CITY hereby authorizes the COUNTY to make such limited entry for such limited purpose.
- C.** The CITY's responsibility for compliance with the PG&E Conditions shall be limited to the following obligations to be performed by the CITY (each of the following numbered obligations correspond with the same numbered condition set forth in the agreement form attached hereto as Exhibit B, except for those obligations that expressly refer to the Supplemental Conditions attached hereto as Exhibit C).
 - 1. Assist the COUNTY in confirming to PG&E the requirements and location of the project.
 - 2. Adopt a resolution as stated in Section II.
 - 3. N/A
 - 4. N/A
 - 5. Provide utility atlas maps or future road improvements of the area if available. Review and comment on the Base map when prepared by the COUNTY.

6. N/A
7. Provide information regarding any known or potential soil contamination within PROJECT area.
8. Provide information regarding any known or potential cultural resources within PROJECT area.
9. Provide pot holing/core samplings and soil/paving information from projects that were recently completed in the PROJECT area.
10. N/A
11. N/A
12. Waive any paving moratoriums within PROJECT area.
13. Provide plans for any future projects resulting in grade changes within PROJECT area.
14. Agree that the California Joint Utility Traffic Control Manual is acceptable for traffic control within CITY limits.
15. N/A
16. N/A
17. N/A
18. Issue and waive cost of encroachment permits for this PROJECT, including bonds.
19. Agree with the Supplemental Conditions (Exhibit C) as it pertains to waiving work hour restrictions for PROJECT construction, including holiday and/or special construction limitations.
20. Agree with the Supplemental Conditions (Exhibit C) as it pertains to waiving all permit fees and other incidental PROJECT specific costs, including but not limited to: parking charges; rental cost of city properties; and lost revenues.

V. FUNDING

A. PG&E Project Costs.

1. Pursuant to the CPUC Tariff Rule 20A program, PG&E annually allocates funds to communities to convert overhead electric facilities to underground electric facilities (These funds are commonly referred to as Rule 20A Funds). The amount of said funds allocated by PG&E to the COUNTY are hereafter referred to as the "COUNTY Allocation." The amount of said funds allocated by PG&E to the CITY are hereafter referred to as the "CITY Allocation."
2. None of the CITY Allocation shall be affected by this PROJECT. The COUNTY shall deliver a written request to PG&E, with a copy to CITY, that PG&E use the COUNTY Allocation to pay for undergrounding costs that would have otherwise been deducted from the CITY Allocation under the Tariff Rule 20A program.

B. The Parties Administrative Costs.

Each Party shall be responsible for covering its costs associated with complying with its obligations under this MOU, and its related administrative costs associated with the Project.

VI. DECISION MAKING

- A.** The Parties will use a consensus decision-making process. A consensus does not mean the recommendation or action is every Party's first choice; it means that every Party is reasonably satisfied with or has no strong objection to that recommendation or action and will support the decision.
- B.** Sufficient time will be provided for the Parties to seek advice from constituents, other responsible agencies, or other experts, when desired, before a decision is made.

VII. EFFECTIVE DATE, TERMINATION & MODIFICATION

- A.** This MOU will become effective when executed by all Parties. It will remain in force from the date of execution of this agreement unless the parties mutually agree in writing to terminate the agreement.
- B.** This MOU may be amended by the Parties through written mutual agreement.

####

IN WITNESS WHEREOF CITY and COUNTY hereby execute this contract on the day and year set forth below.

CITY

By: _____

City Mayor

Date

ATTEST:

By: _____

City Clerk

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____

City Attorney

Date: _____

June 26, 2014

COUNTY

By: _____

Chairperson of the Board of
Supervisors

Date

ATTEST:

By: _____

County Clerk

APPROVED AS TO FORM AND LEGAL EFFECT:

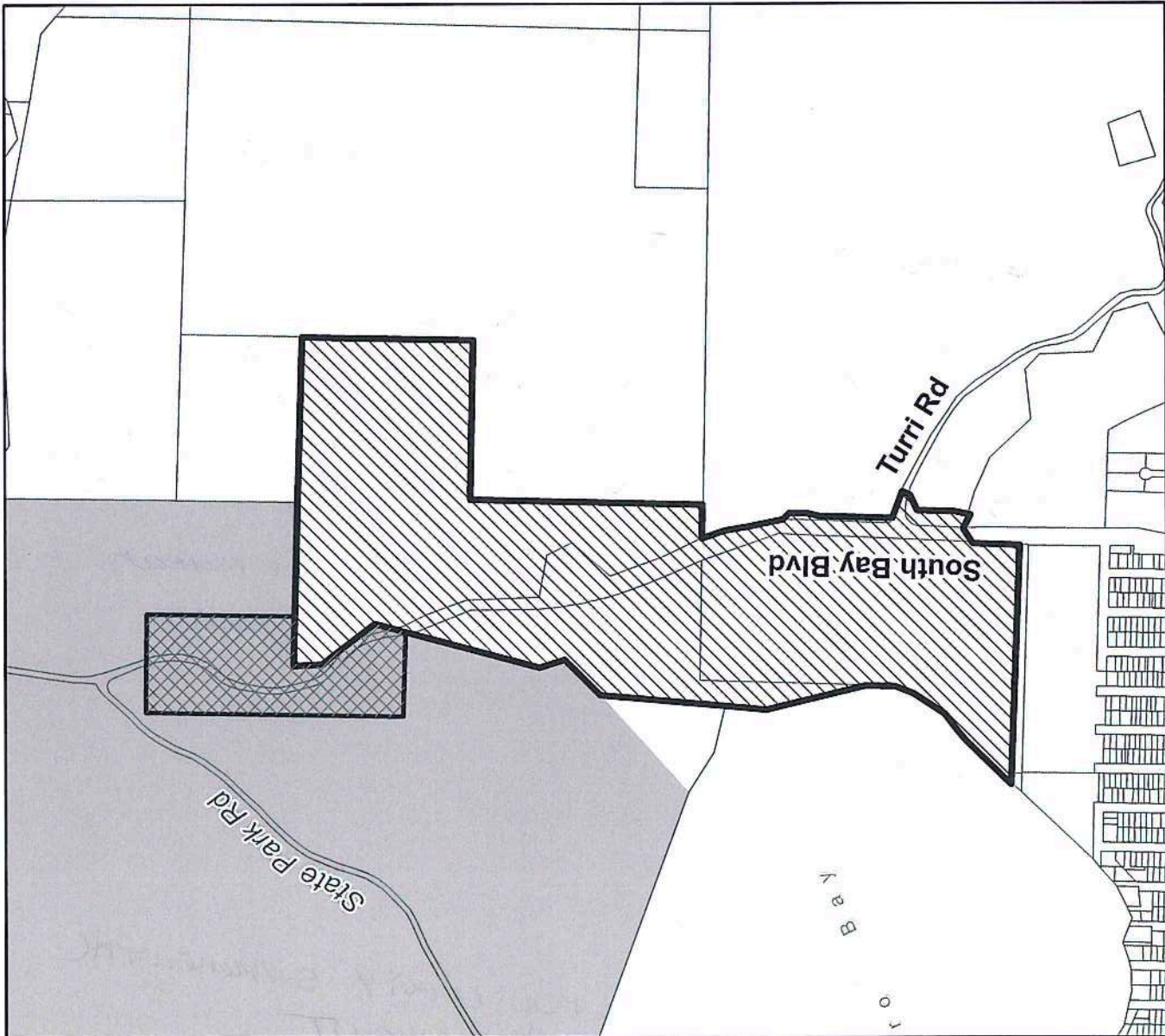
By: _____

County Attorney

Date: _____

5/2/14

APN
 038-701-004
 066-381-003
 067-011-043
 067-011-044
 073-171-027
 073-171-032



Morro Bay City Limits

Proposed districts

SOUTH BAY BLVD Rule 20A District

CITY OF MORRO BAY Rule 20A District (by others)

SOUTH BAY BLVD. UNDERGROUND UTILITY DISTRICT
COMMUNITY OF LOS OSOS
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

**Agreement to Perform
Tariff Schedule Related Work,
Rule 20A General Conditions¹**PROJECT MGR.
PM #

PROJECT NAME: _____

LOCATION: _____, CALIFORNIA

City: _____

City/County of _____, (Applicant) has requested PACIFIC GAS AND ELECTRIC COMPANY, a California corporation (PG&E) to perform the tariff schedule related work as located and described herein.

General Conditions:

PG&E will, at its expense, replace its existing overhead electric facilities with underground electric facilities as outlined in the Rule 20 Tariff. To ensure the success of this program, the Applicant agrees to support the Rule 20A Program as follows:

Responsibilities of the Applicant:

1. Consult with PG&E to confirm the requirements and location of the project.
2. Provide a resolution and boundary map as required in Electric Rule 20.
3. Provide a list of all recorded property owners, APN#, phone number and address.
4. Provide a list of the most recent tenant (for rental properties).
5. Provide Base Map (in AutoCAD) showing the following: boundary, roads, future road improvements, sidewalks, curbs, property lines, buildings, existing water and sewer, easements, and any other known utilities or obstacles.
6. Secure all required rights-of-way and easements, which must be satisfactory to and approved by PG&E.
7. Own and manage all contaminated soils. (Rule 20A funding cannot be used for environmental remediation costs)
8. Own and manage all cultural resource findings. (Rule 20A funding cannot be used for managing cultural resource findings).
9. Provide recent pot holing/core samplings and soils/paving information from projects that were recently completed.
10. Provide acceptable construction yard for materials and equipment storage.
11. Pay for paving and restoration costs beyond the standard excavations and restorations necessary for the construction of the project. Joint trench participants will replace paving, landscaping, sidewalk, etc. that is removed during construction. (Rule 20A funding cannot be used for additional restoration costs).
12. Waive paving moratorium requirements, or pay for additional costs above PG&E's responsibility for restoration.
13. Stake and survey for any associated future grade changes.
14. Should applicant require additional traffic control beyond that which PG&E provides (per California Joint Utility Traffic Control Committee), Applicant will pay for the additional costs.
15. Should Applicant require a traffic control plan, Applicant will prepare or pay to prepare such a plan.
16. Pay for streetlight costs per Street Light Agreement.
17. Remove Applicant owned streetlights attached to utility poles and located within the underground district at Applicant cost. .
18. Issue and waive cost of encroachment permit.
19. Waive work hour restrictions for construction, including holiday and/or special construction limitations.
20. Waive all permit fees and other incidental project specific costs, including but not limited to: parking charges; rental cost of city or county properties; and lost revenues.

Responsibilities of PG&E:

1. Provide consultation to Applicant to establish resolution and boundary map.
2. If designated as the design/trench lead, prepare the Intent, Composite and Form B (costs will be shared by all joint trench participants).
3. Provide electric design to the design/trench lead agency, if lead is other than PG&E.
4. Identify all locations that require an easement.
5. Prepare easement documents for signature.
6. Upon request of the Applicant, Rule 20A allocation may be used for the installation of no more than 100 feet of each customer's underground electric service lateral.
7. Upon request of the Applicant, the Rule 20A allocation may be used for the conversion of electric service panels to accept underground service, up to \$1,500 per service entrance (excluding permit fees). Alternatively, if the Applicant requests that PG&E manage the panel conversion work, perform such conversions by agreement (Form 79-1113, Agreement to Perform Tariff Schedule Related Work, Rule 20A).

¹ Automated Document, Preliminary Statement, Part A.



**Agreement to Perform
Tariff Schedule Related Work,
Rule 20A General Conditions¹**

PROJECT MGR.
PM #

8. Provide inspection services for the installation of PG&E facilities.
9. Remove poles, or portions of poles, from the underground district as required by the Joint Pole Utility Agreement.
10. Provide proper notification to all affected customers when electrical outages are necessary to complete project conversion to the new underground system.

We have read the above information and understand and agree with the provisions and responsibilities as described above/.

Executed this _____ day of _____ 20____

City/County of : _____

PACIFIC GAS AND ELECTRIC COMPANY

Applicant

By: _____

By: _____

(Print or Type Name)

(Print or Type Name)

Title:

Title:

Mailing Address: _____

City/County of : _____

Supplemental Conditions to
Agreement to Perform Tariff Schedule Related Work
Rule 20A General Conditions

These Supplemental Conditions supplement the "Agreement to Perform Tariff Schedule Related Work, Rule 20A General Conditions" (henceforth referred to as "General Conditions") for all underground utility district project agreements entered into between Pacific Gas and Electric Company (PG&E) and the County of San Luis Obispo (County). These Supplemental Conditions represent clarifications and limitations for the terms of particular Articles listed under the General Conditions. PG&E and the County hereby agree to the following Supplemental Conditions:

A. Article 4 *Provide a list of the most recent tenant (for rental properties)*

The County obligation under this article will be satisfied by providing tenant information if and only if known through comparing water service applications submitted to the County with the property owner listed with the Assessor's office. If County is not the water purveyor in the project area, the only list of tenants the County can provide is property owners as provided by the Assessor's office. If deemed necessary by the County and PG&E at time of construction, PG&E may request some County staff assistance in contacting tenants.

B. Article 5 *Provide Base Map (in AutoCAD) showing the following:
boundary, roads, future road improvements, sidewalks, curbs,
property lines, buildings, existing water and sewer, easements, and
any other known utilities or obstacles.*

The County only need provide a base map and other information listed above to the extent such base map and information are already in the County's possession. Should future road improvements be unknown when the base map is submitted to PG&E, this information will not be included. The County shall not be responsible for the accuracy of facility location information provided by other utility companies and included in the base map. It is PG&E's understanding that should a utility conflict be first discovered in the field, and the conflicting utility was not placed in the right of way by PG&E, all utility trench participants will share the cost for resolving the conflict. Unless noted otherwise, the base map will be a compilation of record data and not based upon a field survey.. Any boundary or right-of-way lines will be approximate only. It is the County's understanding that the base map will be used for concept design and/or schematic purposes, and not as detailed construction plans. The County will indicate on all materials the limitations of the information as indicated above.

C. Article 6 *Secure all required rights-of-way and easements, which
must be satisfactory to and approved by PG&E.*

The County need not secure any additional rights-of-way or easements if the facilities required for the project's underground conduit and support facilities for the transmission system can be placed within the existing County right-of-way under a County encroachment permit. PG&E agrees to provide preliminary design plans showing rights-of-way or easements needed for the project, which may lead to further discussion between the County and PG&E for possible project realignment should the County deem the rights-of-way or easement requirements to be excessive or infeasible. County will not be obligated to provide easements for lateral service lines to properties adjoining the County right-of-way. In the event the project is located within Caltrans right-of-way, the County and PG&E agree to coordinate with Caltrans to satisfy this article.

D. Article 7 *Own and manage all contaminated soils.*

The County reserves the right to do preliminary research and investigation to assess the risk of contaminated soils in the project area. Results of the investigation may lead to further discussion between the County and PG&E for possible project realignment to avoid issues involved with existing site conditions and possible termination of the project if extensive issues are discovered.

E. Article 8 *Own and manage all cultural resource findings.*

The County reserves the right to do preliminary research and investigation to assess the risk of cultural resources in the project area. Results of the investigation may lead to further discussion between the County and PG&E for possible project realignment to avoid issues involved with existing site conditions.

F. Article 10 *Provide acceptable construction yard for materials and equipment storage*

It is mutually understood by both PG&E and the County that a yard will only need to be provided by the County if PG&E does not have access to an acceptable yard near the project area and the County does have such a yard available. This item will be mutually agreed upon prior to the start of construction through a specific project agreement.

G. Article 11 *Pay for paving and restoration costs beyond the standard excavations and restorations necessary for the construction of the project*

It is understood that PG&E will restore the roadway with hot mix asphalt in a six inch T-trench matching existing thickness of asphalt at the conclusion of construction and no additional compensation will be required. For work within State Highway right of way, a specific project agreement between the County and PG&E would address any restoration needs over and above the T-trench described above and what, if any, compensation is required.

H. Article 12 *Waive paving moratorium requirements, or pay for additional costs above PG&E's responsibility for restoration*

The County obligation under this article will be satisfied by prioritizing these projects to the mutual satisfaction of both parties and keeping the paving moratorium and future repaving or overlay projects in mind as Tariff 20A projects move forward.

I. Article 13 *Stake and survey for any associated future grade changes*

The County obligation under this article will be satisfied by staking said associated future grade changes, if and only if, they are known at the time the Tariff 20A project moves into construction. The County requires a survey request form to be submitted as well as a two week lead time to accommodate staking requests. This article is for staking of future grade changes only and NOT to be used for any other construction staking, including but not limited to right-of-way, monuments, or other items associated with construction of the Tariff 20A project.

J. Article 14 *Should Applicant require additional traffic control beyond that which PG&E provides (per CA Joint Utility Traffic Control Committee), Applicant will pay for the additional costs*

&

Article 15 *Should Applicant require a traffic control plan, Applicant will prepare or pay to prepare such a plan*

County has reviewed the standards by the CA Joint Utility Traffic Control Committee and as they have been approved by Caltrans they will meet the County standards as well. This article does NOT waive the requirement for PG&E to provide a traffic control plan with application for encroachment permit, nor the requirement that they or their contractor be liable for carrying out the traffic control plan as submitted. For work on County major arterials, the County agrees to provide or pay for the use of changeable message signs to give a three day advance notice per County standards.

K. Article 16 *Pay for streetlight costs per Streetlight Agreement*

&

Article 17 *Remove Applicant owned streetlights attached to utility poles and located within the underground district at Applicant cost*

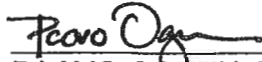
It is understood these articles are only applicable if the County chooses to make changes to the streetlight poles within the boundary of the Tariff 20A project. For all streetlight poles owned by the County, the County reserves the right to keep the existing streetlight poles and have utility companies top said poles. Changes to any existing lighting and the responsible party for the cost of these changes, will be addressed in a Streetlight Agreement.

- L. Article 18 *Issue and waive cost of encroachment permit*
 &
Article 20 *Waive all permit fees and other incidental project specific costs, including but not limited to: parking charges, rental cost of city or county properties, and lost revenues*

The County obligation under this article will be satisfied by waiving encroachment permit fees for projects located within County owned right-of-way. For projects located within right-of-way or easements owned by other agencies (ex. Caltrans, UPRR, City, DWR, etc.), PG&E shall be required to obtain all required encroachment permits and/or other permits. The County agrees to pay for such permit fees, but reserves the right to negotiate with PG&E should such permit fees or requirements be deemed excessive by the County. The requirement for PG&E to obtain an encroachment permit issued by either the County or other agencies is NOT waived by this article. PG&E shall notify the County of its work schedule and shall cooperate with the County and/or other agencies for inspections as required. For projects located within Caltrans right-of-way, PG&E agrees to coordinate issues other than permits with Caltrans directly. The County reserves the right to authorize items resulting in other incidental project specific costs to minimize cost or lost revenue

- M. Article 19 *Waive work hour restrictions for construction, including holiday and/or special construction limitations*

The County obligation under this article will be satisfied by considering a request for weekend work, extended work hours and night work if requested by PG&E or its contractors. This work must still abide by local ordinances including noise restrictions. The encroachment permit will give any work hour restrictions. The County and PG&E agree to work together to minimize the impact of this article. For projects within Caltrans right-of-way, PG&E agrees to work with Caltrans directly should any night, extended work hours and/or weekend work be requested.



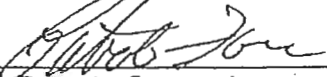
PAAVO OOREN, Director of County
of San Luis Obispo Public Works Department



SINDY MIKKELSEN, Program Manager
PG&E

APPROVED AS TO FORM AND LEGAL EFFECT:

WARREN R. JENSEN
County Counsel

By: 
Deputy Counsel

Dated: 5/8/12